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April 16, 2007

Dear Sir/Madam:

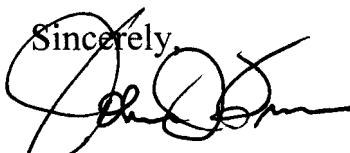
I am writing in response to the FCC's December 20, 2006 FNPRM "seeking comment on how its findings in the order should affect existing franchise cable systems, and asks for comment on local consumer protection and customer service standards as applied to new entrants."

I am writing as a private citizen and consumer and I suspect that my comments may not have the same weight as those comments and arguments made by the corporate and legal interests involved in this issue. However, as a member of the group that will be ultimately be affected by the outcome of the FCC's decision in this matter, I believe that my comments should be given equal attention.

I therefore submit for your review a copy of my letter to the editor of our local newspaper which letter appeared in the January 11, 2007 edition. While it is not a legal brief, it accurately describes what we are facing when it comes to having access to competitive TV service providers. Our local franchising commission, which I refer to in the letter, seems to be exactly the type of entity that the FCC Order is designed to address.

Thank you for your attention.

Sincerely,



John J. Finn

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Letters to the Editor

Verizon vs. the Great Neck/North Shore Cable What?

It's called the Great Neck/North Shore Cable Commission.

Once upon a time, in the late 1970s everyone threw out their attic and roof TV antennas and wanted to sign up for a new thing called "cable." Also, at that time many of our village governments threw away our rights to freedom of choice of cable TV service providers by relinquishing cable franchising authority to the Great Neck/North Shore Cable Commission. With five different cable companies vying for the franchise to deliver TV service to our communities, a group from several Great Neck villages volunteered to supervise the franchising process for any of the other North Shore villages who wanted to be represented. The logical reason being that there would be strength in numbers while negotiating with the different cable suitors. In that most noble display of community service, the Great Neck/North Shore Cable Commission was created.

Over time it has become apparent that the single goal of the Great Neck/ North Shore Cable Commission is to extract as much money as possible from the cable franchise recipient in order to support the commission's twin sister, i.e., Public Access TV (PATV). When Cox Cable, now Cablevision, initially won the franchise, the commission was able to secure a very lucrative agreement from Cox Cable, who was then handed a monopoly on providing cable TV service to our communities.

During this last year, a new company, called Verizon, has applied to the commission for a franchise to offer a competing cable TV service through its fiber optic (FIOS) system. Most of our area has already had the fiber optics installed and the FIOS technology is being used for telephone and Internet service, services which fortunately do not require franchise approval by the commission in order to compete. The Verizon TV franchise application has been stalled because the demands placed on Verizon by the commission are so severe that they go beyond the Verizon negotiating team's authority to approve. Here's why. Verizon is offering a service at a lower rate than Cablevision. The commission sees the PATV revenue falling because its franchise fees will be based on a lower house-to-house TV bill. The commission is trying to extract a guarantee from Verizon that it will make good on any loss of franchise revenue which might occur (will occur) when customers leave Cablevision for Verizon. This would be in addition to the commission's taking a fee for whatever new non-cable customers (i.e., current satellite subscribers) Verizon might acquire. As a result, the Verizon negotiating team has had to forward these demands to senior management for review. The commission has painted the picture that Verizon is stonewalling, has stalled the negotiations and has failed to return to the negotiating table.

While this game is being played out, the commission is cloaking itself in its legal requirement to ensure that franchise applicants are "on a level playing field" in regard to the services they provide to the

community. This does not mean that services offered between two competing franchises need to be equal. The commission can use its "judgment" to determine equanimity between franchise applicants. But it is impossible for Verizon to meet any objective standard of equanimity since for four years the Great Neck/North Shore Cable Commission has permitted Cablevision to operate without a franchise renewal. In addition, it's hard to see how the commission can be objective in its own franchise approval process when 93 percent of the Great Neck/North Shore Commissioners also sit on the Public Access TV Board of Directors. The obvious conclusion is that the commission and Cablevision are happy to go along indefinitely with the status quo while Verizon twists slowly in the wind.

The big winner in all of this is PATV, our local public access TV corporation. The revenue generated by the franchise contracts has gone to build and staff the Public Access TV facility, a state-of-the-art TV production studio at the iPark office complex in Lake Success. PATV's income is derived from direct support from Cablevision as part of its franchise agreement, public grants, membership dues and contributions. PATV is a "not-for-profit" corporation. However, even "not-for-profit" corporations pay salaries, rent, outsource services, and have other overhead expenses. There needs to be more accountability as to how the proceeds of the cable franchise agreement are being used to underwrite PATV and how much of that money could otherwise be distributed to our villages. There is a legitimate purpose to public access broadcasting, and it should be part of our franchising agreements, but at this point, the tail is wagging the dog.

In a recent announcement by the Federal Communications Commission, the FCC is reviewing the requirements imposed by county and municipal franchising authorities on cable TV franchise applicants. The objective of this review is to encourage cable competition. The FCC has identified several methods whereby the local franchising authorities are abusing their powers: "These include drawn-out local negotiations with no time limits" (the cable commission has stated that, "At this point, nobody can predict how much longer the process will take"); unreasonable build-out requirements; unreasonable requests for "in-kind" payments that attempt to subvert the 5 percent cap on franchise fees; and unreasonable demands with respect to public, educational and government access." The FCC is targeting these local commissions because it is apparent that if there is a lack of competition in the market, and the commissions have control over who gets into the market, well, as the saying goes, connect the dots. But it will take months before the FCC can enact any new regulations, and in the meantime the status quo prevails. This is not just a unique, local issue. The Great Neck/North Shore Cable Commission is one of thousands across the country who have come under the scrutiny of the FCC because of their self-serving policies which limit fair competition and the consumer's right to choose. Like the others, our commission is a well-organized and determined group, and they do not want to give up their grip on the golden goose.

The Great Neck/North Shore Cable Commission is made up of 15 representatives appointed by the mayors of our in-

corporated villages. They answer, or should answer, to the residents. If you believe that competition in the market is good, if you care about your consumer's rights, who is benefiting at the expense of your right to choose, or at least, if you care about whether or not your village is getting its fair share of cable TV franchise proceeds, then speak up and tell your mayor to tell the Great Neck/North Shore Cable Commission to represent all of our interests equally.

John J. Finn